

EXTENDING JURISDICTION OF COURT OF CLAIMS.

LETTER

FROM THE

SECRETARY OF THE INTERIOR,

IN REFERENCE TO

The bill of the House (H. R. 3481) extending the jurisdiction of the Court of Claims, together with accompanying papers.

MAY 29, 1876.—Referred to the Committee on Patents and ordered to be printed.

DEPARTMENT OF THE INTERIOR,
Washington, May 29, 1876.

SIR: I have the honor to acknowledge the receipt of your letter dated the 23d instant, inclosing copy of H. R. 3481, "extending the jurisdiction of the Court of Claims of the United States, and for other purposes," together with sundry papers relating thereto, and desiring to be furnished with information upon the several points contained therein, "especially so from the Patent-Office."

The letter and accompaniments were duly referred to the Commissioner of Patents for report upon the several questions presented therein, and I now have the honor to transmit, for the information of your honorable committee, a copy of a letter from that officer, dated the 25th instant, together with a copy of a report from the board of appeals of the Patent-Office, of even date herewith, upon the subject of your inquiry.

In compliance with your further request, I have the honor also to inclose a copy of your letter to me. The papers accompanying your communication are herewith returned.

I am, sir, very respectfully, your obedient servant,
Z. CHANDLER,
Secretary.

Hon. SAMUEL A. DOBBINS,
Chairman Subcommittee on Patents, House of Representatives.

DEPARTMENT OF THE INTERIOR,
UNITED STATES PATENT-OFFICE,
Washington, D. C., May 25, 1876.

SIR: In reply to your reference of the 24th instant, inclosing a communication from Hon. Samuel A. Dobbins, chairman of Subcommittee

on Patents, House of Representatives, relative to the House bill No. 3481, extending the jurisdiction of the Court of Claims of the United States over suits of infringement under letters-patent brought against the Government of the United States, and in which an expression of my views is requested on certain points therein submitted, I have the honor to state that the provisions of the bill in question, or some similar legislation, appears necessary to adequately protect the several Departments of the Government and their officials in the use of inventions that have or may become subjects of letters-patent.

Such a law has been long needed, and special acts have heretofore been passed for relief in particular cases. (See as an example joint resolution June 3, 1864, 13 Stat. at Large, p. 588.)

Referring now to the first inquiry proposed by Mr. Dobbins in his letter of the 23d as to the bill in question being so prepared as to enable the Government to make the same defense in the Court of Claims in a suit thereunder for the use of or infringement upon a patent that any individual, company, or corporation might make under the present patent laws of this country in a suit in the United States circuit court, I fail to find in the proposed act any express mention of any defense that the Government may set up in its behalf.

Section 4920, Revised Statutes, provides that—

In any action for infringement, the defendant may plead the general issue, and having given notice in writing to the plaintiff or his attorney thirty days before, may prove, on trial, any one or more of the following special matters:

First. That for the purpose of deceiving the public the description and specification filed by the patentee in the Patent-Office was made to contain less than the whole truth relative to his invention or discovery, or more than is necessary to produce the desired effect; or,

Second. That he had surreptitiously or unjustly obtained the patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same; or,

Third. That it had been patented or described in some printed publication prior to his supposed invention or discovery thereof; or,

Fourth. That he was not the original and first inventor or discoverer of any material and substantial part of the thing patented; or,

Fifth. That it had been in public use or on sale in this country for more than two years before his application for a patent, or had been abandoned to the public.

It will be seen by these several defenses here mentioned that the validity of the grant can be called in question; and it has been judicially determined that there is nothing to estop the Government of the United States from showing a patent which it had granted to have been a nullity *ab initio*, owing to the non-existence of the condition-precedent of novelty of the invention. *King vs. United States*, 10 Mo. Law. Rep., 631, (Court of Claims, 1857.)

Attorney-General Cushing had previously expressed the opinion that the validity of letters-patent remains open to inquiry, whether at the instance of private persons or of the United States. (Attorney-General's Decisions, December 24, 1856, p. 269.)

That the grant of a patent is not a warrant of its validity, but simply *prima-facie* evidence of that fact, has been determined by many decisions of the court.

I would therefore respectfully suggest that a clause be incorporated into the proposed act, declaring that the same defenses may be pleaded by the Government in all actions brought under the act in question as are allowed to be pleaded by any defendant in actions for infringement in the United States circuit courts.

Without this provision, or a similar one, the second question propounded by Mr. Dobbins, as to whether "the provisions of this bill are sufficient to protect the rights and interest of the Government in any

suits brought under it for the use or infringement of any letters-patent by the Government in any of the several Departments," must be answered in the negative.

In answer to the third inquiry, "Would it be right and proper for the Government, under the provisions of this bill, to pay for *the past* use of an invention covered by letters-patent of the United States for *all* the time the Government had used the invention and patent after the date of the same in the public service of the United States, and before the expiration of the patent," it would appear but just that some sort of limitation should be prescribed in which to bring an action for such use. A use by the Government in such cases would be so open and notorious that the same reasons, in part, for suing for past infringements, as in cases of private individuals, would not seem to exist. And it would but be reasonable, in my opinion, that the patentee, whose invention has been used by any Department of the Government, say, for the term of six years, without protest of any kind on the part of the patentee, should be barred from thereafter bringing suit. If the patent has expired before the bringing of the suit, the right of action should, of course, be barred altogether, as is now the practice between private parties in the United States courts, unless the patent should thereafter be extended by act of Congress.

In addition to the above suggestion, I would recommend that it be provided that in case where the validity of a patent has been sustained or overthrown in the circuit court, in action between private parties, the transcript of the proceedings in such court should have the same weight in the Court of Claims as the decisions of one court now have in another of similar jurisdiction.

The grounds for the proposed legislation are so fully discussed in the various communications accompanying your letter, and, in the main, so meet my approval, that I deem it unnecessary to present my views at length, and will, therefore, simply add, in conclusion, that a central tribunal for the determination of questions relating to patents arising between the various Departments of the Government and individual patentees will, in my opinion, accomplish the following valuable results:

First. Great convenience to the Government and a more adequate protection to its officials.

Second. A more expeditious determination of vexed questions of great importance.

Third. Uniformity of decisions in the vital matter of the measure of damages.

The letters and papers are herein respectfully returned.

Very respectfully, yours,

R. H. DUELL,
Commissioner of Patents.

The Hon. the SECRETARY OF THE INTERIOR.

UNITED STATES PATENT-OFFICE, May 29, 1876.

SIR: We are in receipt of the communication of Hon. Samuel A. Dobbins, chairman of Subcommittee on Patents of the House of Representatives, referred by you to this board for opinions upon certain interrogatories therein contained.

We have looked over the bill and papers accompanying the said communication, and, in reply to the first and second interrogatories, we have to say, that although we are unable to detect any defects or flaws in the bill, yet it would be presumptuous in us, with the little opportunity we

have had for examination and reflection, to give an off-hand opinion as to its operation and effect if enacted into law. Especially would our opinions appear of little importance or consequence after the approval of the bill by the Attorney-General upon mature consideration.

It is, however, in the power of Congress to provide further guards for the protection of the rights of Government, as was originally done in constituting the Court of Claims and in organizing the Southern Claims Commission.

We would also suggest, that while it may be equitable for the Government in cases of re-issued patents to pay compensation for the use of the invention before as well as after such re-issue, yet as such is not the law in regard to individuals, we question whether the discrimination should be made against Government as provided for by this bill in section 9.

Inventions being recognized by the Government as the property of the inventor which should be fostered and protected by special patents, and it being a recognized principle with all the peoples of the different States that private property should not be taken for public uses without just compensation, we see no good reason why a Government of the people, by the people, for the people should disregard this principle and turn piratical.

It would, of course, be right and proper for Government to pay, for the past as well as for the present and future use of inventions, a just compensation, to be established in view of the nature, cost, consequence, and value of the device employed and the amount of benefit received.

The letter of the chairman of the Subcommittee on Patents, and other papers accompanying your reference, are herewith returned.

Respectfully, your obedient servants,

R. L. B. CLARKE,
V. D. STOCKBRIDGE,
T. C. WOODWARD,
Board of Appeals.

Hon. Z. CHANDLER,
Secretary of the Interior.

WAR DEPARTMENT,
Washington City, October 16, 1875.

SIR: I have the honor to transmit, for your views, the inclosed letter from the Chief of Ordnance, dated the 4th instant, suggesting the propriety of an effort to secure from Congress necessary legislation under which proper compensation may be awarded to holders of patents used by the United States in the manufacture of war-material.

I beg to inquire your views as to expediency of uniting with this Department in recommending the subject to the favorable consideration of Congress, at the ensuing session.

Very respectfully, your obedient servant,

WM. W. BELKNAP,
Secretary of War.

The Hon. ATTORNEY-GENERAL.

DEPARTMENT OF JUSTICE,
Washington, October 19, 1875.

SIR: I have the honor to acknowledge the receipt of your letter of the 16th instant, inclosing a communication addressed to you on the 11th

by General S. V. Benét, Chief of Ordnance, together with an extract from his annual report for this year.

The subject suggested by these communications is that of the propriety of an effort to secure from Congress necessary legislation by which compensation may be awarded to holders of patents used by the United States in the manufacture of war-material. I concur fully with the views of General Benét concerning the necessity of such legislation, and will consider further of the subject, and communicate any suggestions which seem to me to be right and proper concerning the legislation to be asked for.

Very respectfully, your obedient servant,

EDWARDS PIERREPONT,

Attorney-General.

Hon. W. W. BELKNAP,

Secretary of War.

HOUSE OF REPRESENTATIVES,
COMMITTEE-ROOM ON PATENTS,
Washington, D. C., May 23, 1876.

SIR: I inclose herewith House bill No. 3481, "extending the jurisdiction of the Court of Claims of the United States, and for other purposes," for the purpose of obtaining information from your Department upon the several points contained therein, especially so from the Patent-Office, as herein indicated.

This bill is now pending before the Committee on Patents in the House. It has been referred to a subcommittee, of which I am chairman. Substantially the same bill has been to two other Departments of the Government for examination, opinion, and recommendation. The Secretary of War and the Attorney-General have each fully approved and recommended this bill for the favorable consideration of and action by Congress, as will appear from Executive Document No. 158, House of Representatives, Forty-fourth Congress, first session, and from other papers accompanying this letter.

This bill, relating particularly to patents and patented property, or property in patents created by the law of Congress and the grant thereunder upon mechanical inventions as held by the Supreme Court of the United States, it has been deemed best to transmit to you for investigation in the Patent-Office and for an opinion thereon, and, among other things, upon the following questions, to wit:

First. Is this bill so prepared, in general or in detail, as to enable the Government to make the same defense in the Court of Claims in a suit under this bill for the use of or infringement upon a patent that any individual person or company or corporation can or might make under the present patent laws of this country in a suit in the United States circuit court for an infringement of any letters-patent upon mechanical inventions?

Second, are the provisions of this bill sufficient, in your judgment, to protect the rights and interests of the Government in any suit brought under it for the use or infringement of any letters-patent by the Government, in any of the several Departments?

Third, would it be right and proper for the Government, under the provisions of this bill, to pay for *the past* use of an invention covered by letters-patent of the United States, for *all* the time the Government had

used the invention and patent *after* the date of the same, in the public service of the United States, and *before* the expiration of the patent?

Any information or suggestions that you may be pleased to make with reference to this bill will be thankfully received, as the committee desire to consider as perfect a bill as possible to have; such a one as will protect this Government and the citizen alike upon the matters contained in the bill.

The committee understand that, under the patent-laws, there is in the Patent-Office a board of appeals, consisting of three persons of scientific and legal learning, by whom all appeal cases are heard and determined. The committee, therefore, request that this matter, bill and papers herein, be referred to that board, as the proper place to obtain the information hereby desired, subject, however, to your review and recommendation.

Please return to the committee the inclosed papers, and a copy of this letter, with such recommendations as you may be pleased to make.

An early reply is requested so as to get full action at this session of Congress.

Respectfully, your obedient servant,

SAMUEL A. DOBBINS,

Chairman of Subcommittee on Patents.

To the Hon. the SECRETARY OF THE INTERIOR.

H. R. 3481—FORTY-FOURTH CONGRESS, FIRST SESSION.

IN THE HOUSE OF REPRESENTATIVES, MAY 18, 1876.—Read twice, referred to the Committee on Patents, and ordered to be printed.

Mr. DOBBINS, by unanimous consent, introduced the following bill:

A bill extending the jurisdiction of the Court of Claims of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That if the Secretary of War, or of the Navy, or of the Treasury, or of the Interior Department, or the Postmaster-General, or any other officer of the United States of America, has used, or shall hereafter use, in the public service, any invention upon which the letters-patent of said United States have been issued or re-issued or extended or renewed, whereby, and by means of which, such service has been, or is, improved or benefited, either in the saving of labor or in the reduction of expenses in the management of Government affairs, or if such service has been, is, or shall be, in any other way or manner improved or benefited, the Court of Claims of the United States is now and hereby vested with full and exclusive jurisdiction in and over any and all such cases, the same to be brought into and before said Court of Claims, by a petition or bill of complaint verified and filed in said court, in the manner and for the purposes herein provided; and whose duty shall be to hear, investigate, and determine any and all such cases submitted to said court, upon pleadings and proofs, in the manner herein provided for it to hear, investigate, and determine, and involving the following questions of fact for the consideration and judgment of said court, to wit:

First. The granting and issuing of the letters-patent, set forth by date and number thereof, and described in the petition or bill of complaint filed in said court in the manner substantially as hereinafter provided; and also the validity of such letters-patent, with the same jurisdiction and power that the circuit court of the United States now has over and upon such matter;

Second. The use of the improvements, invention, and letters-patent thereon in the business and service of said United States, and in what department, and for what purpose used, and the duration of that use;

Third. The compensation or sum of money to be paid by said United States, upon the evidence submitted, for such use of the improvements, invention, and letters-patent so applied to the public service; and,

Fourth. The right, title, and ownership of the letters-patent specified in the petition or bill of complaint in the manner aforesaid; and to whom the compensation for such use of invention and letters-patent thereon shall be awarded and paid by said United States.

SEC. 2. That if either of the said several departments have had, have, or shall have in use in the service and business of the United States, any improvements or invention upon which the letters-patent of said United States have been issued, the inventor and original patentee named in the letters-patent, or in any re-issue or any extension and renewal thereof, or any person or persons claiming to be the owner or owners of any interest in such letters-patent by a deed of assignment in writing, duly made and acknowledged before some officer having authority by law to take acknowledgments, and the same of record in the Patent-Office of said United States, the original deed of assignment so made and recorded, or a duly certified copy thereof, being produced and made a part of the said petition or bill of complaint, may make the said United States defendant, and thus and thereby give the said Court of Claims the jurisdiction contained in section one of this act upon the filing of a duly-verified petition or bill of complaint as herein provided in said court, and serving the Attorney-General with a duly-certified copy of the same so filed by the petitioner or complainant. The said petition or bill of complaint shall be in writing, and shall be the same, or substantially the same, as a bill in equity in the circuit court of the United States filed against an infringement of any letters-patent in that court, and shall set forth therein all the matters of fact which said Court of Claims is, by this act, required to pass upon and to determine at the final hearing of the case so referred or brought to the jurisdiction of said court, to which the Attorney-General of said United States shall make answer within thirty days, or such time as said court may fix upon, next after service upon him of a duly-certified copy of the said petition or bill so made and filed in the said Court of Claims; and upon the filing of such answer in said court, the issues shall be fully joined and the case ready for proofs, to be taken in the manner herein provided.

SEC. 3. That every such petition or bill of complaint shall be signed and sworn to by the petitioner or complainant aforesaid before a United States commissioner, or a commissioner of said Court of Claims, or before a judge of a court of record having a seal; and the same shall also be signed by the attorney and counsel of record for the petitioner or complainant in said Court of Claims; and, in like manner, the answer of the Government of said United States thereto shall be duly signed by the Attorney-General aforesaid in his official capacity. And after the filing of said answer in the manner hereinbefore stated and provided, eight days' notice, exclusive of the day of the service thereof, shall be given to said Attorney-General, by said petitioner or by the petitioner's attorney of record in said Court of Claims, of the time and place for the taking of such oral and documentary proofs as are intended to be used in such cause in support of the petition or bill of complaint so made and filed in said court, after which the said Attorney-General shall, in like manner, give notice of the time and place, and shall proceed to take such proofs as he may deem necessary in support of the answer so made and filed by him in the office of the clerk of said court. The proofs or evidence named, as aforesaid, may be taken by and before a United States commissioner, or a commissioner of said Court of Claims, or an examiner in equity in the United States circuit court, in the usual manner, and under the same rules as now practiced in patent causes in the said circuit court. After the direct and rebuttal proofs upon each side in any such cause have been taken and filed in the office of the clerk of said Court of Claims, such cause shall be deemed to be ready for argument and final hearing; and thereupon the same shall be put upon the current calendar or trial-docket of said court for such hearing and argument upon the evidence so taken and submitted by both the parties named in the petition or bill of complaint, or by either party thereto, upon the default of the other, or refusal to take proofs as herein provided; and the same shall then be proceeded with by that court to final judgment and decree in the usual manner established by said court with reference to the making and entering of final decrees and judgments.

SEC. 4. That the said Court of Claims shall fix upon and decree the rate of compensation, and the sum or amount of money to which the aforesaid inventor and original patentee, or his heirs, or assigns, or legal representative, may, upon the proofs, be entitled to have and to receive in the manner claimed in and by such petition or bill of complaint so made and filed in said court, and up to the time of adjudication by said Court of Claims; all of which shall be heard and determined upon the evidence taken and submitted to said court in the manner substantially as hereinbefore provided.

SEC. 5. That any one of the judges of said Court of Claims may, upon the written application of either party named as aforesaid, regulate, by an order in writing, duly signed by them, the time, place, and the manner for the taking of proofs or evidence to be used upon either or both sides in any cause brought within this act into said court in the manner aforesaid, so as to prevent unnecessary expense or delay by either party aforesaid; but due notice thereof shall first be given to the adverse party, and said application may be heard in open court, or at the chambers of the judge before whom said application is made; and in like manner, upon the written application of either party, said court may determine upon the time for the trial or final hearing and argument of any such cause so brought into said court.

SEC. 6. That if any person or persons claiming to own the whole or a part interest of the right and title to the invention and letters-patent thereon, by a good and valid deed of an assignment, made, executed, and of record in the manner hereinbefore made and provided, or otherwise claiming any interest therein, if there be any, who are not joined in such petition or bill aforesaid, shall be made party defendants therein with the said United States, and brought into said Court of Claims, or required therein to appear, upon such notice or order as the said court shall determine and direct; and thereupon the said Court of Claims shall have the same jurisdiction of each and every matter thereof as it has herein and hereby with reference to said inventor and original patentee, and shall hear and determine the same in the manner and with the same force and effect as hereinbefore provided.

SEC. 7. That if in any cause made and filed in the said Court of Claims, in the manner as provided for by this act, anybody shall have a good, sufficient, and valid deed of assignment and transfer of the invention and letters-patent named in the petition or bill of complaint aforesaid, or of any part thereof, and if the same be of record in the United States Patent-Office, as by law required, the same, if required, or a duly-certified copy thereof, shall be produced in evidence, in said Court of Claims, by the person or persons holding and owning it, for the inspection and opinion and judgment of said court thereon; and thereupon the said court shall have full jurisdiction of the same, and of all matters appertaining thereto, and may, upon evidence duly taken, as hereinbefore provided, proceed to hear such cause, and to determine each and every matter that may be at issue or involved in or by the evidence so taken and presented concerning such deed of assignment, and to whom any judgment that may be rendered, decreed, or ordered to be entered against said United States shall be paid; and in case an appeal be taken in the manner provided for in and by section twelve of this act, to the Supreme Court of the said United States, then that court may, in like manner, determine such matter and to whom the said United States shall pay any judgment so made, decreed, and entered by said Court of Claims. But if no such deed of assignment or a duly-certified copy thereof be offered and received in evidence in such cause before the closing of the direct or redirect evidence upon either side therein, then such cause shall be proceeded with, and heard and determined by said court in the manner hereinbefore made and provided. Any person who may have any knowledge or evidence concerning the matters involved in the petition or bill aforesaid, or in the answer thereto, may be examined as a witness, by and in behalf of the parties to such suit, or either of them.

SEC. 8. That any proofs or evidence taken in pursuance of the provisions contained in this act shall be duly certified to by the officer before whom and by whom the same is taken; and thereupon the same shall be securely sealed up by such officer, and by him transmitted to the clerk of said Court of Claims, in the same manner as now practiced in the said circuit court of the United States, or as required by the rules of practice in said Court of Claims, which shall be done within thirty days next after the taking of the same as aforesaid is completed. Duly-certified copies of any record-papers, other than that of deeds of assignment, or transfers, or licenses, may be used in evidence in any such cause in said court in the same manner and with the same effect as other evidence is used in or by said Court of Claims.

SEC. 9. That if such letters-patent have been renewed or extended by the Commissioner of Patents or by an act of Congress, or if the same have been re-issued either before or after any renewal or extension thereof, the jurisdiction of said Court of Claims, conferred by this act, shall apply to the same; and the right of recovery against said United States as herein provided for the use of the invention so patented, or re-issued, or renewed and extended, shall be under either the original letters-patent or any re-issue thereof, or under any renewed and extended term of the same; and the same, and each and every thereof, may be included in the same petition or bill of complaint, and the compensation for the use of the invention so patented shall be fixed and determined upon the length of time the same has been used in the public service by the direction of either of the Departments, or any officer named in section one of this act.

SEC. 10. That in case of the decease of said inventor and original patentee, or of any such assignee, either before or after the filing of any such petition or bill of complaint as aforesaid, then his administrator or executor, or administratrix or executrix, for the benefit of the heirs and estate of such deceased inventor and patentee, or of such assignee, shall be deemed, and shall be, the rightful and lawful party against said United States for all and every of the purposes mentioned and provided for in this act, and may prosecute the same to final judgment and decree in either or both of said courts, and shall be responsible and accountable to such estate therefor, in the same manner as provided by law in the State where such estate shall be situated at the time of the decease of such inventor and patentee or assignee.

SEC. 11. That each and every claim cognizable by the said court under this act shall be forever barred unless the petition or bill of complaint setting forth a statement of the case and claim, as herein required, be filed in said court within three years after

the cause of action first accrued: *Provided*, That any such claim which has accrued prior to the passage of this act shall not be barred if the petition or bill of complaint be filed in said court within two years after the passage of this act, and not more than six years after the expiration of the term of years for which the letters-patent were granted, or re-issued, or extended and renewed.

SEC. 12. That either party aforesaid may appeal to the Supreme Court of said United States within ninety days next after judgment or final decree shall have been made and ordered by said Court of Claims as hereinbefore provided; such cases so appealed to be preferred causes in said court; and if the said judgment or final decree shall not be appealed, or, if appealed, and the said judgment or final decree shall be affirmed by said Supreme Court, then the same shall be certified by the said Court of Claims to the Secretary of the Treasury of said United States in the same manner as now provided by the law in relation to any other judgment of said Court of Claims; and the same, when presented to the Secretary of the Treasury aforesaid, shall have the same effect as now provided by law, and shall thereupon be paid out of any general appropriation in relation to judgments of said Court of Claims or for private claims; and the payment of such judgment shall be in full satisfaction for all claims for compensation for the use of such patented invention or improvements up to the time of the making and entering of such judgment or decree thereon by said court, and no longer; or such judgment may be paid by the Secretary of the Treasury of said United States out of any money in the said Treasury not otherwise appropriated, with the same effect as though the same had been paid out of any money appropriated for the payment of judgments of said Court of Claims or for private claims.

